

CLEVELAND PUBLIC LIBRARY  
BUSINESS INFORMATION BUREAU  
CORPORATION FILE

*Annual Report  
To Stockholders  
Dec. 31, 1942*

+ + +

V. J. ELMORE  
5c-10c AND \$1.00 STORES, INC.

+ + +

Birmingham, Alabama



Report of

O. M. WEBB

Executive Vice-President

at the

Ninth Annual Meeting  
of Stockholders

February 9, 1943

## *Honor Roll*

### OUR MEN ABSENT ON LEAVE IN THE ARMED SERVICES OF OUR COUNTRY

J. O. Bedgood, USA  
J. T. Bryant, USA  
J. T. Busby, USA  
R. A. Claytor, USA  
E. E. Cumbie, USA  
O. O. Fowler, USA  
H. W. Friday, USA  
C. W. Hackett, USN  
O. G. Hargett, USA  
M. B. Hayes, USA  
C. H. Johnson, USA  
N. N. Jones, USN  
R. H. Levison, USA  
J. L. Littlejohn, USA  
F. I. Manker, USA  
F. G. McLain, USA  
H. H. Mertins, USA  
O. J. Mims, USA  
E. D. Minor, Jr., USA  
W. A. Mason, USA  
G. F. Parr, USA  
C. T. Powell, USA  
J. T. Rinehart, USA  
J. E. Snoddy, USA  
A. T. Thornton, USA  
C. S. Williams, USN  
W. H. Wright, USA

Nathaniel Studemire (Col.), USA  
Robert Earl Thompson (Col.), USA  
Joseph Tolliver (Col.), USA



February 9, 1943

## TO THE STOCKHOLDERS

With profound sorrow I record the death, on Saturday morning, September 12, 1942, of Virgil Jackson Elmore, the Founder, President and Treasurer of our Company.

Mr. Elmore opened his first variety store in November, 1925, which was the beginning of the present organization. He continued to establish stores so that by February, 1935, he had thirteen stores in operation, at which time the business was incorporated and he became its President and Treasurer. In that capacity he remained active in administering the affairs of the Company until the time of his death, and his absence is keenly felt by every member of the organization. The V. J. Elmore 5c, 10c & \$1.00 Stores, Inc., this community, and the state at large suffered an irreparable loss in his passing, and the members of this organization, most of whom began their business careers under his leadership, have lost a true friend.

Even though he was not permitted the joy of the scriptural span of life, it was the happy lot of Mr. Elmore to make for himself a fortunate life and to have the satisfaction of knowing that the fruits of his labors were to remain for the enrichment of this community and state. The position of the Company today stands as an eloquent reflection of the broad-gauge character of Mr. Elmore's nature, his singularly accurate business judgment, his courage, indefatigability, and tenacity of purpose.

We are deeply appreciative of the privilege of having served under him, and are conscious of the inestimable value of his training and example. We pledge ourselves to continue his good work and to perpetuate this business as a memorial to the name of its beloved founder, Virgil Jackson Elmore.

\* \* \* \*

The results of operation for the year 1942 as shown in the condensed profit and loss statement contained in this report evidence continued improvement in efficiency and merchandising. Sales of \$2,739,959.70 for the year 1942 are more than \$500,000 greater than 1941, an increase of 24%.

Net profit before income tax of \$238,000, as compared with the preceding year, reflects an increase in proportion with increased sales. Income taxes of \$153,000, as compared with \$83,000 for the preceding year, result in net profit of \$86,495, which is approximately six times the requirement for Preferred Stock dividends.

The inventory position at December 31, 1942, is within the inventory limitation ruling of the War Production Board, which goes in effect April 1, 1943. While our inventory position continued heavy throughout 1942, increased sales enabled us to maintain a normal rate of turnover. Although some items of merchandise formerly carried have been discontinued, we feel that sufficient merchandise will be available to meet the needs of our customers. The willingness of the public to accept available substitutes and the rationing program will aid us in keeping our sales volume at a profitable level.

The proceeds of the life insurance policies carried on the life of Mr. Elmore amounted to \$400,000. These funds were used to retire all borrowed indebtedness and further strengthen the financial position of the Company.

While operations for 1942 showed marked improvement over the preceeding year, by no means did we forget the fact that our Country is at war. The Company has a well-planned program of selling War Bonds and Stamps to the public, and the majority of our employees purchase War Bonds on the payroll deduction plan.

At this time we have five women store managers, and as war needs become greater we will have more. We are continuing our training program of prospective women managers in order to replace men who go into the military services of our Country.

In closing, I desire to express my appreciation of the counsel and help of the officers and directors. I also recognize the accomplishments of the executives, managers, and all the men and women of this organization, whose energy, capacity, foresight and loyalty have contributed so largely to the progress made in the past twelve months.

Respectfully submitted,

O. M. Webb,  
Executive Vice-President



ERNST & ERNST  
Accountants and Auditors  
System Service  
BIRMINGHAM

February 22, 1943

Board of Directors

V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.  
Birmingham, Alabama.

We have examined the balance sheet of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., as of December 31, 1942, and the statements of profit and loss and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary, including observation of procedures followed by the Company in ascertaining inventory quantities at the warehouse located in Birmingham, Alabama, but we did not have representatives present at the time physical inventories were taken at the forty-four retail stores operated by the Company.

Inventories of merchandise on hand at retail stores and at warehouse are based upon physical count made under the supervision of the management during the period from December 28, 1942, to January 4, 1943, and adjusted for intervening transactions to December 31, 1942. In the pricing of the inventories, the Company has consistently used the basis of the lower of cost or market, determined for merchandise at the stores at the retail price less accumulated store mark-up and for that at the warehouse at cost, according to the first-in, first-out method, or at replacement price, where the market is less than cost. As a further test of the correctness of the inventories we tested prices, extensions and footings and reviewed the computation of the mark-up percentage.

In our opinion, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at December 31, 1942, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

BALANCE  
V. J. ELMORE 5c, 10c A  
December

## ASSETS

### CURRENT ASSETS

Cash:			
Demand deposits.....	\$343,208.26		
For deposits.....	2,172.40	\$345,380.66	
Office and store cash funds.....		8,275.36	\$ 353,656.02
Merchandise inventories:			
At stores—priced at retail less accumulated store mark-up.....		\$359,886.32	
In warehouse—priced at the lower of cost or market.....		150,281.35	
In transit—priced at cost.....		42,463.19	552,630.86
TOTAL CURRENT ASSETS.....			\$ 906,286.88

### OTHER ASSETS

Cash surrender value of life insurance.....	\$	763.00	
Employees' unpaid stock purchases.....		567.58	
Employees' sundry advances.....		349.11	1,679.69

### FIXTURES, EQUIPMENT AND IMPROVEMENTS TO LEASEHOLDS

Fixtures and equipment at cost:			
Stores.....	\$333,195.75		
Warehouse.....	5,806.74		
	\$339,002.49		
General office equipment—at cost.....	25,590.75		
Automobiles—at cost.....	3,859.60	\$368,452.84	
Less reserves for depreciation.....		\$139,810.49	
		\$228,642.35	
Improvements to leaseholds—at cost.....	\$135,193.08		
Less reserves for amortization.....	57,048.65	78,144.43	306,786.78

### LAND AND BUILDING

Land—at cost.....	\$	30,392.75	
Warehouse and office building—at cost.....	\$	78,411.68	
Less reserve for depreciation.....		4,791.82	73,619.86
			104,012.61

### DEFERRED CHARGES

Unexpired insurance premiums.....	\$	1,617.81	
Warehouse inventory of store supplies.....		1,104.62	2,722.43
			\$1,321,488.39



SHEET  
ND \$1.00 STORES, INC.  
31, 1942

# LIABILITIES

## CURRENT LIABILITIES

Accounts payable:			
Trade accounts.....	\$114,438.39		
Salaries and adjusted compensation.....	6,153.00		
Sales and retailers excise taxes.....	14,701.85		
Payroll taxes.....	6,356.58		
Rent.....	1,893.29		
Payroll deductions for purchase of war bonds.....	1,350.38	\$ 144,893.49	
Accrued federal capital stock tax.....		3,125.00	
Federal and state taxes on income of the year ended December 31, 1942—estimated.....		153,000.00	
TOTAL CURRENT LIABILITIES.....		\$ 301,018.49	

## CAPITAL STOCK AND SURPLUS

### Capital stock—Note A:

First preferred stock, par value \$100.00 per share (entitled to \$100.00 per share plus accumulated dividends upon liquidation): Authorized 4,000 shares; issued and outstanding:			
810 shares of 7% cumulative.....	\$ 81,000.00		
1,819¼ shares of 5% cumulative.....	181,925.00	\$262,925.00	

Common stock, Class "B"—no par value, stated value \$16⅔ per share, dividends of \$1.00 per annum cumulative, preferred over other common stock only as to dividends:			
Authorized and outstanding, 6,000 shares.....		100,000.00	

Common stock, Class "A"—no par value, stated value \$16⅔ per share; 2,500 shares authorized, 405¼ shares restricted for issue upon exercise of Class "A" Warrants (Note B); issued and outstanding 1,975½ shares.....		32,925.01	
		\$395,850.01	

### Surplus:

Capital surplus.....	\$ 10,232.57		
Earned surplus.....	614,387.32	624,619.89	1,020,469.90
			\$1,321,488.39

See notes on following page.

## NOTES TO BALANCE SHEET

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

December 31, 1942

Note A—Cumulative preference dividends on first preferred and Class "B" common stock have been paid to January 1, 1943.

Note B—At December 31, 1942, there were 1,000 Class "A" warrants authorized to be sold as part of units with first preferred stock and thereafter to be exercised in the purchase of Class "A" common stock. Class "A" warrants issued in units with 7% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$100.00 per share; Class "A" warrants issued in units with 5% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$25.00 per share. 594 $\frac{3}{4}$  warrants have been issued, of which 534 warrants have been exercised in the purchase of Class "A" common stock, and the remaining 60 $\frac{3}{4}$  issued warrants are outstanding. No voting power is granted to the holders of these warrants. On August 29, 1942, the Board of Directors authorized a bonus to certain of the Company's employees payable in 5% first preferred stock. 487 $\frac{1}{4}$  shares of this stock with a total par value of \$48,725.00 was issued but the Class "A" warrants which the articles of incorporation provide must be issued with each share of preferred stock were not issued, and to date no action has been taken pertaining to the issuance of these warrants.



# CONDENSED PROFIT AND LOSS STATEMENT

V. J. ELMORE 5c, 10c AND \$1.00 STORES, INC.

Years Ended December 31, 1942, and December 31, 1941

	YEAR	
	1942	1941
Net sales.....	\$2,739,959.70	\$2,198,361.16
Cost of goods sold.....	1,763,292.76	1,440,678.33
<b>GROSS PROFIT</b> .....	<b>\$ 976,666.94</b>	<b>\$ 757,682.83</b>
Selling and administrative expenses.....	732,664.29	570,125.16
<b>OPERATING PROFIT</b> .....	<b>\$ 244,002.65</b>	<b>\$ 187,557.67</b>
Other income.....	15,550.04	22,967.63
	<b>\$ 259,552.69</b>	<b>\$ 210,525.30</b>
Other deductions.....	21,476.29	24,245.70
<b>PROFIT BEFORE TAXES ON INCOME</b> .....	<b>\$ 238,076.40</b>	<b>\$ 186,279.60</b>
Taxes on income:		
Provision for the year—estimated:		
Federal excess profits tax.....	\$ 104,200.00	\$ 31,200.00
Federal normal and surtax.....	45,900.00	48,800.00
State income tax.....	2,900.00	3,500.00
Overprovision (*) for prior year.....	* 1,419.58	* 932.01
	<b>\$ 151,580.42</b>	<b>\$ 82,567.99</b>
<b>NET PROFIT</b> .....	<b>\$ 86,495.98</b>	<b>\$ 103,711.61</b>

## STATEMENT OF SURPLUS

	Capital	Earned	Total
Balance at January 1, 1942.....	\$ 10,178.41	\$194,682.34	\$204,860.75
<b>ADDITIONS</b>			
Net profit for the year.....	—0—	86,495.98	86,495.98
Proceeds from life insurance—net.....	—0—	370,569.80	370,569.80
Excess of proceeds from sale of stock.....	137.50	—0—	137.50
Dividends, previously credited to employees, stock purchase accounts, forfeited upon cancellation of stock.....	—0—	86.16	86.16
	<b>\$ 10,315.91</b>	<b>\$651,834.28</b>	<b>\$662,150.19</b>
<b>DEDUCTIONS</b>			
Dividends paid.....	\$ —0—	\$ 37,446.96	\$ 37,446.96
Capital surplus applicable to stock sold to employees which was cancelled during the year.....	83.34	—0—	83.34
	<b>\$ 83.34</b>	<b>\$ 37,446.96</b>	<b>\$ 37,530.30</b>
Balance at December 31, 1942.....	<b>\$ 10,232.57</b>	<b>\$614,387.32</b>	<b>\$624,619.89</b>

\*Indicates restoration of portion of provision.



## OFFICERS

MRS. V. J. ELMORE  
President

O. M. WEBB  
Executive Vice-President

JOHN W. POWERS, JR.  
Vice-President, Real Estate

W. I. SMITH  
Vice-Pres., Merchandising

W. A. WILLIS, JR.  
Secretary & Treasurer

\*CAPT. G. F. PARR  
Vice-Pres. & Asst. Treas.

E. N. HESTER  
Asst. Vice-President, Sales

## DIRECTORS

MRS. V. J. ELMORE  
President

F. J. CALLEN  
Pres., Peoples Savings Bank  
Clanton, Alabama

GRADY REYNOLDS  
Reynolds & Reynolds, Attys.  
Clanton, Alabama

O. M. WEBB  
Executive Vice-President  
Birmingham, Alabama

W. I. SMITH  
Vice-Pres., Merchandising  
Birmingham, Alabama

JOHN W. POWERS, JR.  
Vice-Pres., Real Estate  
Birmingham, Alabama

\*CAPT. G. F. PARR  
Vice-Pres. & Asst. Treas  
Martinez, California

E. N. HESTER  
Asst. Vice-Pres., Sales  
Birmingham, Alabama

W. A. WILLIS, JR.  
Secretary & Treasurer  
Birmingham, Alabama

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\*Absent on leave in the armed services of our Country.

V. J. ELMORE 5c, 10c & \$1.00 STORES, INC.

Executive and Buying Offices

And Warehouse

Birmingham, Alabama

STORES

Aberdeen, Mississippi

Alabama City, Alabama

Albertville, Alabama

Alexander City, Alabama

Amory, Mississippi

Andalusia, Alabama

Athens, Alabama

Atmore, Alabama

Bay Minette, Alabama

Boaz, Alabama

Brewton, Alabama

Brundidge, Alabama

Clanton, Alabama

Clayton, Alabama

Decatur, Alabama

Demopolis, Alabama

Eufaula, Alabama

Eutaw, Alabama

Evergreen, Alabama

Fairfield, Alabama

Fayette, Alabama

Fort Payne, Alabama

Greensboro, Alabama

Greenville, Alabama

Guntersville, Alabama

Haleyville, Alabama

Hartselle, Alabama

Jasper, Alabama

Marion, Alabama

Monroeville, Alabama

North Birmingham, Alabama

Oneonta, Alabama

Opp, Alabama

Prattville, Alabama

Russellville, Alabama

Samson, Alabama

Scottsboro, Alabama

Sylacauga, Alabama

Talladega, Alabama

Troy, Alabama

Tuscumbia, Alabama

Tuskegee, Alabama

Union Springs, Alabama

Wetumpka, Alabama







